



U.S. House of Representatives
Committee on Transportation and Infrastructure

Washington, DC 20515

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March 26, 2007

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "The SouthEast Crescent Authority and the Northern Border Economic Development Commission"

PURPOSE OF THE HEARING

The Subcommittee will meet on Thursday, March 29, 2007, at 2 p.m. in room 2167 Rayburn House Office Building, to receive testimony from Members representing districts included in the proposed SouthEast Crescent Authority and the proposed Northern Border Economic Development Commission. Members will provide testimony on the importance of establishing economic development authorities in their district and regions, and successful models of economic development with federal support.

BACKGROUND

The Subcommittee on Economic Development, Public Buildings, and Emergency Management has jurisdiction over the authorization and oversight of programs promoting economic development in communities suffering economic distress. The Subcommittee has jurisdiction over the Economic Development Administration (EDA) of the U.S. Department of Commerce, the Appalachian Regional Commission (ARC), the Denali Commission, the Delta Regional Authority (DRA), and the Northern Great Plains Regional Authority.

Many other regions also experience high rates of poverty, significantly higher-than-average unemployment rates, limited access to capital, low per capita personal income, and high job loss. These regions have expressed interest in regional economic development authorities, similar to the structure of the ARC, to provide funding for projects that stimulate economic development and

promote the industries of the region, while not supplanting existing institutions and programs that provide funding, such as the Economic Development Administration, state agencies, and local development organizations.

Northern Border Economic Development Commission

A bill to establish the Northern Border Development Commission was introduced on March 15, 2007 by Representative Hodges (H.R. 1548). Modeled after the Appalachian Regional Commission (ARC), the Northern Border Development Commission would be composed of a Federal member appointed by the President, with the advice and consent of the Senate, and the Governors of each State in the region covered by the Commission who elect to participate. States covered by the Commission would include Maine, New Hampshire, New York, and Vermont. The proposed legislation authorizes \$40 million each year for fiscal years 2008 through 2012, to fund projects that will foster economic development and job creation in the most distressed areas of covered states.

The Commission will establish priorities and approve grants for economic development, assess the region's needs and capital assets, support local development districts or foster the creation of such districts, encourage private investment, and initiate a special resource study of the north woods of Maine. The Commission will give grants to States, local development districts, and public and nonprofit entities for approved projects.

SouthEast Crescent Authority (SECA)

A bill to establish the SouthEast Crescent Authority was introduced by Representative McIntyre on January 4, 2007 (H.R. 66). The bill establishes a Federal economic development commission for a seven state region that includes parts of the states of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. States included under the SouthEast Crescent Authority are not eligible for assistance from the ARC or the Delta Regional Authority. The SECA would perform various functions, including: formulating plans and programs to spur economic development, and approving grants to States and public and nonprofit entities toward that end; establishing priorities in a development plan for the region; supporting local development districts and creating them where they do not exist; and encouraging private investment in the region. The SECA would annually designate distressed counties and isolated areas of distress in non-distressed counties.

SECA would be modeled after the highly successful ARC, which has assisted in eliminating large pockets of poverty in Appalachia. The Governors of the seven participating states or their appointees shall serve on the SECA board of directors, along with a federal co-chair appointed by the President of the United States. The other co-chair would be elected from among the seven Governors or appointees. Projects eligible for funding under SECA include infrastructure development, education and training, entrepreneurship and leadership development.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

In the 109th Congress, H.R. 20, a bill to establish the SouthEast Crescent Authority, was introduced on January, 4, 2005 and was referred to the Transportation and Infrastructure

Committee, Subcommittee on Economic Development, Public Buildings, and Emergency Management. On July 26, 2006, the Subcommittee held a hearing on H.R. 20. No further action was taken.

In the 109th Congress, H.R.1695, a bill to establish the Northern Border Development Commission, was introduced on April 19, 2005 and was referred to the Transportation and Infrastructure Committee, Subcommittee on Economic Development, Public Buildings, and Emergency Management. On July 26, 2006, the Subcommittee held a hearing on H.R. 1695. No further action was taken.

WITNESSES

The Honorable Paul W. Hodes
Congressman
New Hampshire, District 2

The Honorable Carol Shea-Porter
Congresswoman
New Hampshire, District 1

The Honorable Thomas H. Allen
Congressman
Maine, District 1

The Honorable John M. McHugh
Congressman
New York, District 23

The Honorable Peter Welch
Congressman
Vermont, At Large

The Honorable Mike McIntyre
Congressman
North Carolina, District 7

The Honorable Sanford D. Bishop, Jr.
Congressman
Georgia, District 2

The Honorable Robin Hayes
Congressman
North Carolina, District 8

The Honorable Virgil H. Goode, Jr.
Congressman
Virginia, District 5